Taxation of new services

1724. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to bring some new services within the gamut of taxation; and

(b) if so, the details thereof together with those made tax free?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The following seven services have been brought under the purview of Service Tax with effect from 1st July, 2003:

(1) Commercial training or coaching;

(2) Technical testing and analysis; technical inspection and certification;

(3) Maintenance and repair;

(4) Commissioning and installation;

(5) Business auxiliary service;

(6) Internet Cafe; and

(7) Franchise service.

The scope of following existing three services has been extended— (i)

Extension of port services to cover all ports;

(ii) Extension of authorised automobile services to multi-utility vehicles;

(iii) Extension of banking and other financial services to all FOREX brokers (including money changers and forex dealers).

Services exempted from payment of service tax are:—

(1) Call Centres and Medical Transcription Centres;

(2) Business auxiliary services provided by commission Agents;

(3) Vocational Training Institutes, Computer Training Institutes and Recreation Training Institutes (This exemption is in force upto 29th February, 2004);

(4) Commercial Training or Coaching Centres, in relation to training or coaching, which form an essential part of course or curriculum of any other institute or establishment, leading to issuance of any certificate, or diploma or degree or other educational qualification recognized by law for time being in force provided fees.

(5) Maintenance and repairs services for which contracts have been entered prior to 1 st July, 2003, exemption is available to that part of the value of service for which bill/invoices have been issued and amount actually received prior to 1 st July, 2003;

(6) Part of the value of all taxable services, which represents the cost of goods or material sold by the service provider to the receiver of such services during the course of providing the taxable service; and

(7) Services provided to any person by a mandap keeper for the use of the precincts of a religious place as mandap.

Taking over of properties by IDBI

1725. SHRIMATI N. P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Development Bank of India has taken over possession of certain properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act; and

(b) if so, the number of properties whose possession has been taken over by the IDBI since the enforcement of above Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. Industrial Development Bank of India (IDBI) and Reserve Bank of India (RBI) have reported that IDBI has so far taken over possession of five properties of four assisted companies under the Securitisation and Reconstruction of financial Assets and Enforcement of Security Interest Act, 2002.

†Original notice of the question was received in Hindi.